

E-filed 6/6/05

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

In re PayPal Litigation

Case No. CV-02-01227-JF (PVT)

**[PROPOSED]
ORDER APPROVING DISTRIBUTION OF
THE STATUTORY DAMAGE FUND AND
THE SHORT-FORM FUND FROM THE NET
SETTLEMENT FUND AND FOR PAYMENT
OF CLAIMS ADMINISTRATION FEES AND
EXPENSES**

Having reviewed and considered Class Counsel's Status Report To The Court Re Claims Administration And Distribution Of The Statutory Damage And Short Form Funds From The Net Settlement Fund And Payment Of Claims Administration Fees And Expenses and the supporting declarations of A. J. De Bartolomeo, one of Class Counsel in this matter, and the declaration of Thomas V. Runco of the Garden City Group, the Claims Administrator ("Runco Declaration"), the Court hereby orders as follows.

1. The \$1,000,000 Statutory Damage Fund and the \$2.15 million Short-Form Fund, as defined in the Settlement Agreement, shall be distributed to the Class members who submitted valid claim forms and returned signed certification forms, as set forth in the Runco Declaration.

2. The claims described in the Runco Declaration at ¶¶ 12-13 as “deficient” are rejected as invalid, the claims described in Runco Declaration at ¶14 as “late” are accepted as valid, and any and all future claims submitted are hereby rejected as untimely.

3. The Settlement Agent, the parties, counsel herein in any capacity in which they may act hereunder, and any employees or agents of such Settlement Agent, the parties, or counsel (including without limitation such persons’ employees who may furnish services in connection with the Settlement) shall not be liable for anything done or omitted to be done in connection with the Settlement and administration thereof except for their own willful misconduct.

4. The Garden City Group’s request for payment of fees and reimbursement of expenses in connection with claims and settlement administration in the amount of \$450,000, covering all fees and expenses through completion of the claims and administration process, is approved, and such amount will be paid to the Garden City Group from the Settlement Fund.

5. That after the Settlement Agent has made reasonable and diligent efforts to distribute the Statutory Damage Fund and Short-Form Fund portions of the Net Settlement Fund to those Class members identified in the Runco Declaration, any balance remaining in the Net Settlement Fund from the Statutory Damage and Short-Form Funds one (1) year after the initial distribution shall be contributed to non-sectarian, not-for-profit 501(c)(3) organization(s) designated by and not affiliated with Co-Lead Counsel.

6. This Court retains continuing jurisdiction over any further application or matter which may arise in connection with this action.

IT IS SO ORDERED.

DATED: 6/6/05

/s/electronic signature authorized

THE HONORABLE JEREMY FOGEL
UNITED STATES DISTRICT JUDGE